

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
CHESAPEAKE UTILITIES CORPORATION)
FOR APPROVAL OF A CHANGE IN ITS GAS) PSC DOCKET NO. 20-0573
SALES SERVICE RATES ("GSR") TO BE)
EFFECTIVE NOVEMBER 1, 2020)
(FILED SEPTEMBER 1, 2020))

ORDER NO. 9670
AMENDING ORDER NO. 9657

AND NOW, this 21st day of October 2020, the Delaware Public Service Commission ("Commission") determines and orders the following:

WHEREAS, on September 1, 2020, Chesapeake Utilities Corporation ("Chesapeake" or "the Company") filed with the Commission an application seeking to change its Gas Sales Service Rates ("GSR") effective for usage on or after November 1, 2020; and

WHEREAS, on September 14, 2020, Chesapeake filed an amended application due to identified costs associated with Transportation Capacity on Eastern Shore Natural Gas that were inadvertently excluded from the design day capacity needs calculation for transportation customers, thus impacting the transportation balancing rates; and

WHEREAS, on September 28, 2020, Chesapeake filed a second amended application (the "Application") to remove renewable natural gas costs from the rate calculations and seeking approval to change its GSR from positive surcharges of \$0.938 per Ccf for customers served under rate schedules RS-1, ERS-1, RS-2, ERS-2, USA-R, GS, EGS, USA-G, MVS, EMVS, USA-M, and LVS; \$0.432 per Ccf for customers served under rate schedules GLR and GLO; and \$0.725 per Ccf for customers served under rate schedule HLFS, to positive surcharges of \$0.913 per Ccf,

\$0.442 per Ccf, and \$0.747 per Ccf respectively, with said changes to be effective for service rendered on and after November 1, 2020 and thereafter until changed; and

WHEREAS, the Application also included a request for permission to: (a) increase Chesapeake's firm balancing rate for transportation customers served under rate schedules GS, EGS, and USA-G from \$0.159 per Ccf to \$0.176; (b) increase its firm balancing rate for transportation customers served under rate schedules MVS, EMVS, and USA-M from \$0.193 per Ccf to \$0.215 per Ccf; (c) increase its firm balancing rate for transportation customers served under rate schedule LVS from \$0.150 per Ccf to \$0.166 per Ccf; (d) increase its firm balancing rate for transportation customers served under rate schedule HLFS from \$0.017 per Ccf to \$0.021 per Ccf; and (e) maintain Chesapeake's firm balancing rate for transportation customers served under rate schedule ITS at \$0.001 per Ccf; and

WHEREAS, on September 30, 2020, the Commission approved Order No. 9657 wherein it determined, pursuant to 26 *Del. C.* §§ 304 and 306, that the proposed GSR changes should be permitted to become effective for usage on and after November 1, 2020, subject to refund and pending the Commission's further review and final decision; and

WHEREAS, the Commission instructed Chesapeake to publish notice of its filing during the week of October 5, 2020; and

WHEREAS, Chesapeake inadvertently neglected to publish the required notice as directed during the week of October 5, 2020; and

WHEREAS, Chesapeake has requested the Commission's permission to publish the required notice on October 26, 2020, and to permit the proposed GSR changes to become effective

for usage on and after November 16, 2020, subject to refund and pending the Commission's further review and decision; and

WHEREAS, Chesapeake has represented that the difference in the rates that would have gone into effect on November 1, 2020 and the rates that will go into effect on November 16, 2020 (if approved) will be so small when factored into the overall GSR rate that the difference will not actually change the rates the Commission approved to go into effect on November 1, 2020; and

WHEREAS, the Commission Staff and the Delaware Division of the Public Advocate do not oppose Chesapeake's request;

NOW, THEREFORE, BY THE AFFIRMATIVE VOTE OF NOT FEWER THAN THREE COMMISSIONERS, IT IS ORDERED THAT:

1. Pursuant to 26 *Del. C.* §§ 303(b), 304, and 306, the following proposed changes to the GSR rates, and the accompanying proposed tariff revisions set forth in the Application, are permitted to become effective for natural gas usage on or after November 16, 2020, subject to refund and pending the Commission's final decision:

Rate Schedule	Present GSR Rate	Proposed GSR Rate
RS-1, ERS-1, RS-2, ERS-2, USA-R, GS, EGS, USA-G, MVS, EMVS, USA-M, LVS	\$0.938 per Ccf	\$0.913 per Ccf
GLR, GLO	\$0.432 per Ccf	\$0.442 per Ccf
HLFS	\$0.725 per Ccf	\$0.747 per Ccf

Rate Schedule	Present Firm Balancing Rate	Proposed Firm Balancing Rate
GS/EGS/USA-G	\$0.159 per Ccf	\$0.176 per Ccf
MVS/EMVS/USA-M	\$0.193 per Ccf	\$0.215 per Ccf
LVS	\$0.150 per Ccf	\$0.166 per Ccf

HLFS	\$0.017 per Ccf	\$0.021 per Ccf
ITS	\$0.001 per Ccf	\$0.001 per Ccf

2. The Commission shall not assign this docket to a Hearing Examiner to conduct an evidentiary hearing, but, rather, shall conduct an evidentiary hearing on the Application during a regularly scheduled meeting to be determined later.

3. Interested persons or entities are afforded the opportunity to file written comments or objections to the proposed changes in the GSR. Such written comments or objections must be filed ***on or before Friday, December 11, 2020*** using the Commission's file management system, DelaFile (<https://delafile.delaware.gov/>), by searching for Docket No. 20-0573. In addition, the Commission will accept public comments on the Application immediately prior to the commencement of the evidentiary hearing.

4. Pursuant to 26 *Del. C.* § 502 and 29 *Del. C.* ch. 101, the Commission designates Senior Hearing Examiner Mark Lawrence for the sole purpose of considering any petitions for intervention that may be filed in this docket.

5. Chesapeake shall give public notice of the filing of this Application, with the proposed rate changes and this action by the Commission, by publishing notice in the form attached as **Exhibit "A"** in two-column format, outlined in black, in the legal classified section of The News Journal and Delaware State News newspapers by Monday, **October 26, 2020**. Chesapeake shall submit proof of such publication as soon as possible, but no later than the commencement of any evidentiary hearings concerning this matter.

6. The deadline for intervention pursuant to 26 *Del. Admin C.* § 1001-2.9 shall be ***Friday, November 13, 2020***. Petitions for intervention that are not received by the Commission

on or before *Friday, November 13, 2020*, will not be granted unless good cause is shown. Pursuant to Rule 1001-6.4 of the Commission's Rules of Practice and Procedure, 26 *Del. Admin. C.* § 1001-1.6.4, petitions for intervention should be filed using the Commission's file management system, DelaFile (<http://delafile.delaware.gov>), by searching for Docket No. 20-0573.

7. As outlined in the form of notice attached as **Exhibit "A,"** interested persons are afforded the opportunity to file objections to the proposed changes to the GSR rates and the accompanying proposed tariff revisions set forth in the Application.

8. Chesapeake is hereby put on notice that it will be charged the costs incurred by the Commission Staff and the Division of the Public Advocate in connection with this proceeding under the provisions of 26 *Del. C.* § 114(b)(1).

9. The Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Dallas Winslow, Chairman

Joann Conaway, Commissioner

Harold Gray, Commissioner

Kim Drexler, Commissioner

Manubhai C. Karia, Commissioner

ATTEST:

Donna Nickerson, Secretary

EXHIBIT “A”

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PUBLIC NOTICE

**TO: ALL NATURAL GAS CUSTOMERS OF CHESAPEAKE UTILITIES
CORPORATION AND OTHER INTERESTED PERSONS**

Chesapeake Utilities Corporation’s Gas Service Rate Application

On September 1, 2020, Chesapeake Utilities Corporation (“Chesapeake” or the “Company”) filed with the Delaware Public Service Commission (the “Commission”) an application pursuant to 26 *Del. C.* §§ 303(b), 304, and 306 seeking to change its Gas Service Rates (“GSR”) as follows:

Rate Schedule	Present GSR Rate	Proposed GSR Rate
RS-1, ERS-1, RS-2, ERS-2, USA-R, GS, EGS, USA-G, MVS, EMVS, USA-M, LVS	\$0.938 per Ccf	\$0.913 per Ccf
GLR, GLO	\$0.432 per Ccf	\$0.442 per Ccf
HLFS	\$0.725 per Ccf	\$0.747 per Ccf

A residential space heating customer using 700 ccf per year will experience an annual decrease of approximately 1.67%, or \$17.50, in the customer's total bill. During the winter heating season, a typical RS-2 customer using 120 Ccf per winter month will experience a decrease of approximately 1.89%, or \$3.00 per winter month.

The Company has also proposed to change certain firm and interruptible balancing rates for transportation customers as follows:

Rate Schedule	Present Firm Balancing Rate	Proposed Firm Balancing Rate
GS/EGS/USA-G	\$0.159 per Ccf	\$0.176 per Ccf
MVS/EMVS/USA-M	\$0.193 per Ccf	\$0.215 per Ccf
LVS	\$0.150 per Ccf	\$0.166 per Ccf
HLFS	\$0.017 per Ccf	\$0.021 per Ccf
ITS	\$0.001 per Ccf	\$0.001 per Ccf

By Order No. **9657** dated September 30, 2020, the Commission permitted the proposed GSR and other rates to become effective with usage on and after November 1, 2020, subject to refund and pending the Commission's final decision after evidentiary hearings and any other proceedings that may be necessary.

By Order No. **9670** dated October 21, 2020, the Commission amended Order No. 9657 and permitted the proposed GSR and other rates to become effective with usage on and after November 16, 2020, subject to refund and pending the Commission's final decision after evidentiary hearings and any other proceedings that may be necessary.

The Commission will conduct evidentiary hearings, to be scheduled at a later date,

concerning this Application. The Commission's final decision will be based on the entire record of the case.

If you wish to formally participate as a party in this matter, with the right to present evidence and be represented by counsel, you must file with the Commission a written petition for leave to intervene in accordance with the requirements of the Commission's Rules of Practice and Procedure (26 *Del. Admin. C.* § 1001-2.9) **on or before Friday, November 13, 2020**. All such petitions should be e-filed according to the Commission's Rules (26 *Del. Admin. C.* § 1001-1.6.4). Petitions filed after the deadline of **Friday, November 13, 2020**, will not be considered except for good cause shown.

Interested persons are afforded the opportunity to file objections to the proposed changes to the GSR and the accompanying proposed tariff revisions set forth in the Application. Such objections or written comments shall be filed **on or before Friday, December 11, 2020** using the Commission's file management system, DelaFile (<http://delafile.delaware.gov>), and by searching for Docket No. 20-0573.

You are invited to review Chesapeake's Application and supporting documents to determine how your interests may be affected by going to DelaFile (<http://delafile.delaware.gov>), the Commission's file management system, and by searching for Docket No. 20-0573.

If you would like to review documents at the Commission's offices, please contact Donna Nickerson at (302) 736-7500 or by sending an email addressed to donna.nickerson@delaware.gov. You may also review copies of Chesapeake's Application and supporting documents at the office of the Division of the Public Advocate located at either 820 North French Street, 4th Floor, Wilmington, DE 19801 or 29 South State Street, Dover, DE 19901. Please call either (302) 577-

5077 (Wilmington) or (302) 241-2555 (Dover) to arrange for a time to review the documents at either of those locations.

If you wish to request copies of documents in this matter, please submit a Freedom of Information Act Request Form. The link to this form can be found on the Commission's website, <http://depsec.delaware.gov>, or by visiting this web address: <https://delafile.delaware.gov/Complaints/FOIA.aspx>. The Commission will respond to your request in accordance with the Delaware Freedom of Information Act, 29 *Del. C. ch.* 100.

If you have a disability and wish to participate or to review the materials in this matter, please contact the Commission to discuss any auxiliary aids or services you might need to help you. You may contact the Commission in person, by writing, by telephone (including text telephone), by Internet e-mail, or other means. If you have questions about this matter, you may call the Commission at 1-800-282-8574 (toll-free in Delaware) or (302) 736-7500 (voice and text telephone). You may also send questions regarding this matter by Internet e-mail addressed to pse@state.de.us; include "PSC Docket No. 20-0573" as the subject.